



**TELANGANA STATE ELECTRICITY REGULATORY COMMISSION**  
5<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad 500 004

**O. P. No. 28 of 2021**

**&**

**I. A. No. 10 of 2021**

**Dated 14.09.2021**

**Present**

Sri T. Sriranga Rao, Chairman  
Sri M. D. Manohar Raju, Member (Technical)  
Sri Bandaru Krishnaiah, Member (Finance)

Between:

1. Southern Power Distribution Company of Telangana Limited,  
# 6-1-50, Mint Compound, Hyderabad-500 063.
2. Northern Power Distribution Company of Telangana Limited,  
# 2-5-31/2, Corporate Office, Vidyut Bhavan,  
Nakkalagutta, Hanamkonda, Warangal – 506 001. ... Petitioners.

AND

- Nil -

... Respondent.

The Petition along with Interlocutory Application came up for hearing on 11.08.2021. Sri Mohammad Bande Ali, Law Attachée for respondents has appeared through video conference on 11.08.2021. The Petition and the Interlocution Application having been heard and having stood over for consideration to this day, the Commission passed the following:

**ORDER**

The petitioners have filed a petition under sections 86(1)(e) and 62 of the Electricity Act, 2003 (Act, 2003) read with Commission's Regulation No.1 of 2017, seeking determination of pooled cost of power purchase for FY 2020-21 to be adopted in the FY 2021-22 and the averments of the petition are as below:

- a. that the Commission after its formation during the year 2014 and also with the powers conferred under section 181 of the Act, 2003, issued Regulation called as TSERC (Adoption) Regulations notified as Regulation No.1 of 2014 dated 10.12.2014 by which it adopted all regulations, decisions, directions or orders, all the licenses and practice directions etc. issued by the erstwhile APERC as in existence and in force until any of the regulation/order/direction etc. are altered, repealed or amended having the jurisdiction of Telangana State, including the Regulation No.1 of 2012 that is Renewable Power Purchase Obligation (RPPO) (compliance by purchase of renewable energy/renewable energy certificates) Regulation. Subsequently, the Commission issued Regulation No. 2 of 2018 in the matter of fixing the RPPO to be met by the obligated entities from FY 2018-19 to FY 2021-22.
- b. that besides this the Commission also issued Regulation No. 1 of 2017 (Third Amendment to Interim Balancing and Settlement Code for Open Access Transactions Regulation No. 2 of 2006), wherein it has stipulated under the Appendix-3 that “the unutilized banked energy shall be considered as deemed purchase by DISCOM(s) at the average pooled power purchase cost as determined by the Commission for the relevant year.”
- c. that the pooled cost means the weighted average pooled price at which the distribution licensee has purchased electricity in the previous year from all the long term energy supplies, excluding the purchases based on liquid fuel and provided that the purchases from traders, short term purchases and purchases from renewable sources shall not be taken into account while determining pooled cost of power purchase.
- d. that the RE generator engaged in the business of renewable energy certificates (REC) may conclude a long-term power purchase agreement (REC PPA) at pooled cost that may be determined by State Commission year on year.
- e. that apart from the above, the Government of Telangana State launched Telangana State Solar Power Policy, 2015 in line with its new industrial policy called TSiPASS with effect from 01.06.2015, wherein the solar net metering facility, besides other incentives were announced applicable for

a period of 25 years. As per the said policy, the consumer who adopts the solar net metering facility would be paid at the tariff of pooled cost determined by the Commission, subject to monthly billing and settlement in a year.

- f. that the details of the total power purchases made in the previous FY 2020-21 from all the long term energy supplies, excluding the purchases based on liquid fuel purchases, the purchases from the traders, short term purchases and purchases from the renewable energy sources are submitted to facilitate the Commission to determine the pooled cost. The average power purchase pooled cost works out to Rs. 4.32 / kWh.

2. The petitioners have sought the following relief in the petition.

“To determine the average pooled power purchase cost in respect of power purchases made during financial year 2020-21 excluding purchases from projects based on liquid fuel and short term purchases to be considered during the financial year 2021-22.”

3. The petitioners have also filed an Interlocutory Application to condone the delay in filing the original petition and stated as below:

- a. that the clause 7.2.1 of Regulation No. 2 of 2018 directs DISCOMs to file a petition for computation of pooled cost of power purchase to the Commission by 30<sup>th</sup> April of that year.
- b. that the finalization of accounts for the financial year 2020-21 got delayed due to outbreak of COVID-19 pandemic and hence the filing of subject petition for determination of pooled cost of power purchases for FY 2020-21 was delayed.
- c. that the delay in filing the petition is not intentional and filing of this Interlocutory Application, seeking delay condonation is in the interest of justice.
- d. In view of the above submissions, the Commission is prayed to condone the delay in filing the petition for determination of the pooled cost in respect of power purchases made during the financial year 2020-21 excluding purchases from projects based on liquid fuel and short term purchases, to be considered during the financial year 2021-22.

4. The Commission has heard the representative of the petitioners on the original petition and interlocutory application. It has considered the material available on record as also scrutinised information made available along with the petition. The submissions on the date of hearing of the representative are as below:

“... ..

The representative of the petitioners stated that the original petition is filed for determination of pooled cost. In filing the said petition, there is a delay beyond the stipulated time in the regulation. He sought determination of the pooled cost by condoning the delay. Having heard the submission of the representative of the petitioners, the matter is reserved for orders.”

4. Before proceeding further the Commission notices that the petition for pooled cost is filed with delay and for that purpose an interlocutory application for condoning the delay is also filed. The Commission considers the reasons stated by the petitioners for filing the petition belatedly are genuine in the given circumstance. Accordingly, the Commission condones the delay in filing the petition. The interlocutory application i.e., I. A. No. 10 of 2021 stands allowed.

5. The Commission considers the submission made by the petitioners in support of its case are acceptable to it. For considering the request of the petitioners, it is appropriate to notice the provisions of the relevant regulations. The same are extracted below:

**Para (8) in Appendix-3 of Regulation No. 1 of 2017**

“8. The unutilized banked energy shall be considered as deemed purchase by DISCOM(s) at the average pooled power purchase cost as determined by TSERC for the relevant year.”

**Clause 2.12 of Regulation No.2 of 2018**

“2.12. **“Pooled Cost of Power Purchase”** means the weighted average pooled price at which the distribution licensee has purchased electricity in the previous year from all the long-term energy suppliers excluding the purchases based on liquid fuel.

Provided that the purchases from traders, short-term purchases and purchases from renewable sources shall not be taken into account while determining Pooled Cost of Power Purchase;”

6. On detailed analysis of the data provided by the petitioners, the Commission is of the view that the request of the petitioners can be acceded to. The data furnished by the TSDISCOMs in the present petition has been examined applying the definition of "Pooled Cost of Power Purchase" and on its basis, the Commission hereby determines the pooled cost of power purchase for FY 2020-21 to be considered for FY 2021-22 as Rs. 4.320 / kWh. The details of calculation are shown in the Annexure to this order.

7. Accordingly, the petition is allowed without any costs.

**This order is corrected and signed on this the 14<sup>th</sup> day of September, 2021.**

<b>Sd/-</b> (BANDARU KRISHNAIAH) MEMBER	<b>Sd/-</b> (M.D.MANO HAR RAJU) MEMBER	<b>Sd/-</b> (T.SRIRANGA RAO) CHAIRMAN
---	--	---



**Annexure**  
**Average Pooled Power Purchase Cost**  
**during FY 2020-21 to be considered for FY 2021-22**

Generating Station/ Source	Energy	Fixed Cost	Variable Cost	Total Amount	Rs./kWh
<b>TSGenco Thermal</b>					
RTS-B	250495540	508863947	770834595	1279698542	5.109
KTPS-V	2443810750	2748191999	6492805246	9240997245	3.781
KTPS-VI	3386496700	5140400001	9048374588	14188774588	4.190
KTPS-VII	5833306340	10403400000	13334571854	23737971854	4.069
KTPP-I	2352638632	5307000000	6102897326	11409897326	4.850
KTPP-II	3673310760	7577000001	9338957252	16915957252	4.605
BTPS-	1658212500	5578659392	4177824912	9756484304	5.884
Thermal incentive 2020-21	0	167267520	0	167267520	
Total TSGenco Hydel	3424011252	10812817928	0	10812817928	3.158
Adv Income Tax	0	15200000	0	15200000	
<b>Total TSGenco</b>	<b>23022282474</b>	<b>48258800787</b>	<b>49266265773</b>	<b>97525066560</b>	<b>4.236</b>
<b>CGS</b>					
NTPC Ramagundam-I&II	2124933082	1617705785	5147847830	6765553615	3.184
NTPC Ramagundam-III	501234332	405688148	1192197054	1597885203	3.188
NTPC Talcher-II	1504427847	1104633678	2930622348	4035256026	2.682
NTPC Kudgi-I & II	538435033	3016283451	1669111015	4685394466	8.702
NTPC-Simhadri-I	1603938368	4034111299	5280378764	9314490063	5.807
NTPC-Simhadri-II	1092448037	2430729484	3387081733	5817811218	5.325
Bundled Power (Coal) under JNNSM Phase I	203736443	0	909041413	909041413	4.462
Bundled Power (Coal) under JNNSM Phase II	1156218115	0	4335854016	4335854016	3.750
NTECL Vallur	217635523	1303873151	805453200	2109326351	9.692
NLC Tamilnadu Power Ltd.	806192249	1700444326	2300953382	4001397709	4.963
NLC-I	294915604	219011504	804018192	1023029696	3.469
NLC-II	314794590	280652715	854285457	1134938172	3.605
NLC-TPS-II 2 <sup>nd</sup> expansion	189851396	345098630	438777519	783876149	4.129
NPCIL-Kaiga-Unit 1&2	1052027471	0	3626768131	3626768131	3.447
NPC MAPS	69568828	0	180506572	180506572	2.595
NPC Kudankulam(KKNPP)	294326390	0	1218794624	1218794624	4.141
<b>Total CGS</b>	<b>11964683308</b>	<b>16458232171</b>	<b>35081691250</b>	<b>51539923421</b>	<b>4.308</b>
<b>Others</b>					
Sembcorp (unit 1 - 269.45 MW)	1878773742	3291906456	4383294952	7675201409	4.085
Sembcorp (unit 2 - 570 MW)	4206557444	10555135308	8938875744	19494011052	4.634
SCCL-I (Singareni)	6874668000	14710599996	17511825596	32222425592	4.687
CSPDCL (Chhattisgarh)	3275329875	8889661828	3930395850	12820057678	3.914
<b>Total Others</b>	<b>16235329061</b>	<b>37447303588</b>	<b>34764392142</b>	<b>72211695730</b>	<b>4.448</b>
<b>Grand Total</b>	<b>51222294842</b>	<b>102164336548</b>	<b>119112349166</b>	<b>221276685714</b>	<b>4.320</b>